

## DOCUMENT RESUME

ED 389 440

PS 023 801

TITLE Child Welfare: Complex Needs Strain Capacity To  
 Provide Services. United States General Accounting  
 Office Report to Congressional Committees.  
 INSTITUTION General Accounting Office, Washington, DC. Health,  
 Education, and Human Services Div.  
 REPORT NO B-261055; GAO/HEHS-95-208  
 PUB DATE Sep 95  
 NOTE 42p.  
 AVAILABLE FROM U.S. General Accounting Office, P.O. Box 6015,  
 Gaithersburg, MD 20884-6015 (First copy free;  
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 PUB TYPE Information Analyses (070) --  
 Legal/Legislative/Regulatory Materials (090)  
 EDRS PRICE MF01/PC02 Plus Postage.  
 DESCRIPTORS Adoption; Block Grants; Child Abuse; Child Neglect;  
 \*Child Welfare; Federal Legislation; \*Federal  
 Programs; Financial Support; \*Foster Care; Government  
 Role; \*Social Services; State Federal Aid; \*State  
 Programs  
 IDENTIFIERS Welfare Reform

## ABSTRACT

In response to proposed reforms designed to replace many federal child welfare programs with block grants to states, this report describes a study of recent trends foster care, resources for foster care and child welfare services, and state responses to current foster care and child welfare service needs. The study reviewed research on foster care and child welfare services and interviewed experts, researchers, and advocates in these fields. The study found that sharp increases in the number of foster children combined with unprecedented service needs between 1983 and 1993 led to a crisis in foster care. Reports of child abuse and neglect nearly doubled, and foster case loads grew by two-thirds during the period. However, resources for child welfare services failed to keep pace with the needs of troubled children and their families. The findings indicate that faced with increasing demands and limited resources, states have sought to preserve families and minimize the need for foster care. Six appendices include information on federal funding to states; proposed child welfare program consolidations; current and proposed foster care standards; and testimonies on child protection, foster care, adoption, and related topics. (MDM)

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September 1995

## CHILD WELFARE

Complex Needs Strain  
Capacity to Provide  
Services

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Health, Education, and  
Human Services Division

B-261055

September 26, 1995

The Honorable William V. Roth, Jr.  
Chairman  
Committee on Finance  
United States Senate

The Honorable Nancy Landon Kassebaum  
Chairman  
Committee on Labor and Human Resources  
United States Senate

The Honorable Bill Archer  
Chairman  
Committee on Ways and Means  
House of Representatives

The Honorable Bill Goodling  
Chairman  
Committee on Economic and Educational  
Opportunities  
House of Representatives

In 1993, more than 1 million American children suffered some abuse or neglect.<sup>1</sup> One in six of these children were removed from home for their protection and temporarily placed in foster care. Both the children remaining home and those placed in foster care were eligible for services to help them deal with their family situation, obtain medical treatment, or meet other critical needs. By the end of 1993, an estimated 450,000 children were in foster care, more than in any other year since the mid-1970s.

States provide the majority of funds for foster care and child welfare services. Even so, the federal share of expenditures reached \$4.1 billion in 1995. These federal funds come primarily from two sources, one an open-ended entitlement and the other limited to annual appropriations. Under title IV-E of the Social Security Act, open-ended funds are available to states for the maintenance (food, shelter, and incidentals) of all foster children meeting certain income and other criteria. Title IV-B of the act provides separate funds to states for child welfare services for abused and neglected children who remain in their homes or are placed in foster care.

<sup>1</sup>The most recent year for which data are available is 1993.

These services include helping families to resolve their problems and referring families for specialized help, such as substance abuse treatment.

The Congress is currently considering sweeping changes to programs designed to support children and families. Among these changes is a proposal to replace many child welfare programs, including foster care, with a block grant. To assist the Congress in its deliberations, this report presents an overview of the foster care system and related child welfare services. Specifically, we address the following questions:

- What are recent trends in the characteristics of the foster care population?
- Have resources for foster care and child welfare services kept pace with changing needs?
- How are states responding to current foster care and other service needs?

To develop this information, we drew upon our past reports on foster care and related child welfare issues (see list of Related GAO Products in app. V) and reviewed reports by government and other organizations as well as position papers and written testimony from witnesses at congressional hearings. In addition, we interviewed national experts and researchers in the child welfare area, child welfare advocates, representatives of public interest groups, government officials in selected states and localities, and federal officials (see app. I). Our work was performed between March and July 1995.

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## Results in Brief

Between 1983 and 1993, sharp increases in the number of foster children combined with unprecedented service needs led to a crisis in foster care. Reports of child abuse and neglect nearly doubled, and foster care caseloads grew by two-thirds. Demands for child welfare services grew not only because the number of foster children increased but also because families and children were more troubled and had more complex needs than in the past. In Los Angeles County, New York City, and Philadelphia County, for example, 29 percent of preschool-age foster children in 1986 were at risk of health problems due to prenatal drug exposure; this rose to 62 percent in 1991.

Meanwhile, resources for child welfare services failed to keep pace with the needs of troubled children and their families. While foster care funding has increased dramatically at all levels of government, federal funding for child welfare services has lagged. States and localities have found it difficult to meet the demand, although they have more than tripled

expenditures in some cases. Federal foster care funds generally cannot be transferred to support child welfare services, and available state funds are increasingly being spent on child abuse and neglect investigations. The effect has been to further constrain resources for preventive and rehabilitative child welfare services that offer some promise of containing growth in foster care caseloads.

Faced with increasing demands and limited resources, states have adopted various measures to meet the needs of troubled children and their families while maintaining children's safety. Many states now offer family preservation services or place children with relatives to maintain family ties and save money. States are also increasingly considering the use of specialized foster homes for children with unique problems, including emotionally disturbed and medically fragile children, to provide more family-like care at lower costs than institutions, where such children are typically placed. If states can save foster care costs, they may be able to transfer state funds to support child welfare services.

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## Background

Foster care is an integral part of a child welfare system designed to ensure the safety and well-being of children whose families are not providing adequate care for them. Foster care provides primarily food and housing to meet the physical needs of children who are removed from their homes. Child welfare services are designed to address the complex family problems associated with children's abuse, neglect, exploitation, or delinquency. In providing child welfare services, caseworkers may also refer children and their families to mental health agencies, medical facilities, or elsewhere for specialized treatment and services.

Child welfare services are critical in helping prevent the need for foster care as well as in achieving appropriate and stable permanent living arrangements for children placed in foster care. Most states and counties provide some child welfare services directly and purchase others from private agencies. Available services vary considerably from one area to another in number, type, intensity, and duration, although calls and visits with caseworkers are considered essential in most areas.

Children generally enter foster care for their own protection because their parents will not or cannot take care of them.<sup>2</sup> When problems such as abuse or neglect are identified, the child welfare system may intervene

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<sup>2</sup>Other children enter care because they represent a danger to themselves, their families, or their communities.

with services designed to improve the situation and avoid removing children from their homes. If such services cannot ensure children's safety and well-being in their homes, the child welfare system petitions the court to place children in foster care, either in the homes of relatives or nonfamily foster parents, group homes, or institutions.

Foster care provided by relatives, who are often grandmothers, is known as kinship care. States may choose whether to license relatives as foster parents and provide foster care payments. On the other hand, states require nonfamily foster parents to be licensed and pay them an average of \$8 to \$15 a day per child for food, housing, and incidental expenses. States also license group homes and institutions to provide care by paid staff. These homes receive an average of \$100 a day per child for food, housing, and overhead expenses.<sup>3</sup> Foster care is a temporary solution until children can be returned safely to their parents, adopted, or placed in some other permanent living arrangement; however, some children remain in foster care until their eligibility for foster care assistance expires, generally at age 18.

Under federal law, states must provide foster care if they participate in Aid to Families With Dependent Children (AFDC), the largest federal welfare program providing cash assistance to poor families. States receive federal matching funds for about half of all foster children because these children would have qualified for AFDC had they remained in their homes. For the other half, states and localities are the sole source of government support. In addition, states and localities supply the majority of government funds for child welfare services. Many states directly administer foster care and child welfare, but nearly one-third delegate this authority to their counties, including several states with the largest caseloads—California, Pennsylvania, and New York.

Two titles under the Social Security Act provide federal funding targeted specifically to foster care and related child welfare services.<sup>4</sup> (See app. II.) Title IV-E provides an open-ended individual entitlement for foster care maintenance payments to cover a portion of the food, housing, and incidental expenses of children from AFDC-eligible families. Title IV-E also provides payments to adoptive parents of eligible minority foster children

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<sup>3</sup>Cost estimates are for 1990 as reported in Overview of Entitlement Programs: 1994 Green Book. Committee on Ways and Means, U.S. House of Representatives (Washington, D.C.: 1994).

<sup>4</sup>Title XX provides funds under the social services block grant that may be used for many purposes, including child welfare. See Foster Care Services to Prevent Out-of-Home Placements Are Limited by Funding Barriers (GAO/HRD-93-76, June 29, 1993).

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or others with special needs, such as health problems, that may make adoptive homes more difficult to find. Title IV-B provides limited or "capped" funding for child welfare services to foster children as well as children remaining in their homes.

In 1995, total IV-E funding was \$3.6 billion and total IV-B funding was \$453 million, representing about 97 percent of all federal funding targeted to child welfare and protection, including foster care. Another nine programs provided an additional \$136 million in federal funds to states for activities designed to protect the safety and well-being of children.

Under the Child Protection Block Grant passed by the House in 1995, foster care and the other child welfare programs would be replaced by a single block grant to states with capped funding. (See apps. III and IV.) In addition, proposals for an AFDC block grant would cap federal funding and repeal AFDC eligibility rules that currently enable states to claim IV-E foster care funds. Further, the AFDC block could affect the amount of federal funds states would receive for IV-E foster care if it makes certain categories of children ineligible for AFDC and all children ineligible for AFDC after 5 years of assistance.

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## Recent Trends Have Led to a Foster Care Crisis

Current trends in the number and needs of foster children have led to a crisis in the child welfare system. The number of reports of abuse and neglect and the number of children removed from home and placed in foster care for their protection have grown alarmingly. Also, compared with the foster children of 10 years ago, today's foster children have characteristics associated with longer stays in foster care and greater service needs. Although stays in foster care for most children are less than 1 year, permanent placements following foster care are delayed or unstable for a significant minority of children.

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## Reports of Child Abuse and Neglect Have Increased

An estimated 2.3 million children were reported possible victims of abuse or neglect in 1993.<sup>5</sup> Although the number of reports has nearly doubled since 1983, the rate of increase has shown signs of leveling off since 1990. The increased reporting has been due, in part, to heightened public awareness and state laws mandating reports from professionals who see

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<sup>5</sup>Child Maltreatment 1993: Reports From the States to the National Center on Child Abuse and Neglect, Department of Health and Human Services (Washington, D.C.: 1995).

children on a daily basis.<sup>6</sup> Meanwhile, the incidence of poverty and substance abuse, factors associated with abuse and neglect, were also at relatively high levels during this period.

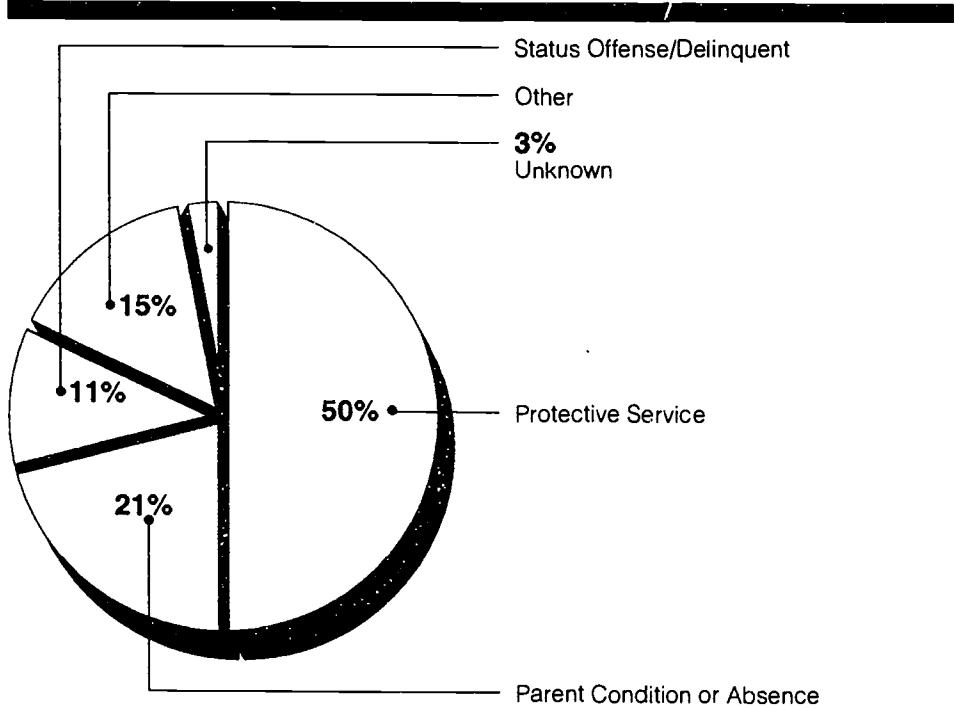
Upon investigation, child welfare workers confirmed abuse or neglect of 1 million children in 1993.<sup>7</sup> Although child abuse and neglect are more likely to be reported today than 10 years ago, whether children are as likely to be removed from their homes is not clear. Experts believe that as a result of increased demands, strained resources, and efforts to strengthen families, child welfare agencies are currently reevaluating conditions in the family and neighborhood that formerly might have been grounds for the child's removal. Most of the 1 million abused or neglected children remained in their homes. However, about 15 percent were considered in imminent danger and placed in foster care. Most children who enter foster care do so because of abuse; neglect; inadequate care due to parental absence; or conditions, such as illness or financial difficulty, as shown in figure 1.

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<sup>6</sup>Teachers most often reported the abuse or neglect that was most often perpetrated by parents or other relatives.

<sup>7</sup>Nearly half of the confirmed cases involved neglect, a quarter, physical abuse; one-seventh, sexual abuse; and the remainder, unspecified maltreatment. About half of the children were under 8 years of age, a quarter under 4. Neglect was more common among younger children; physical abuse, among boys under 12 or girls over 12; and sexual abuse, among girls. (See footnote 5.)

**Figure 1: Reasons Children Entered Foster Care, 1990**



Notes: "Protective service" includes children who entered care because of abuse or neglect reported to child protective services.

"Parent condition or absence" includes children who entered care because of absence, illness, death, handicap, financial hardship, or other condition of the parent(s).

"Status offense/delinquent" includes children who entered care because of (1) status offenses, such as running away or truancy, or (2) delinquent behavior.

"Other" includes children who entered care for such reasons as parent-child relationship problems, child's handicap, a plan for adoption, deinstitutionalization, and unwed motherhood.

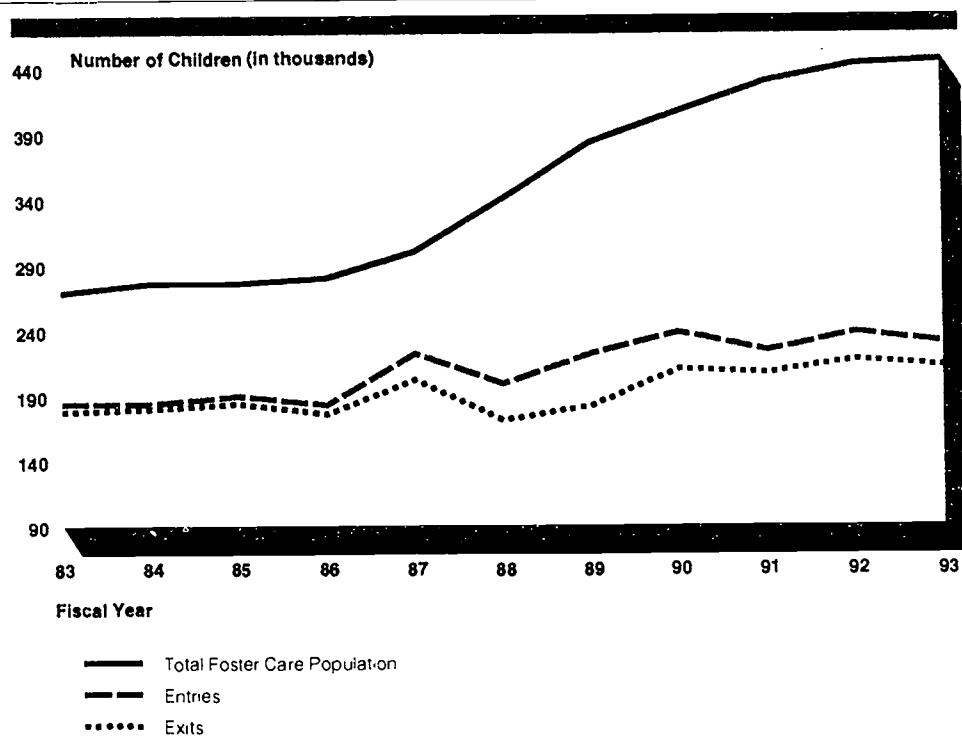
Source: American Public Welfare Association (APWA) Voluntary Cooperative Information System (VCIS).

### Foster Care Caseloads Have Reached Record Levels

By 1993, an estimated 450,000 U.S. children—more than at any other time in two decades—were in foster care. This represents a two-thirds increase in the foster care caseload since 1983, as shown in figure 2. The growth in foster care caseloads occurred because more children entered than left care in each year between 1983 and 1993. This trend was especially noticeable between 1987 and 1990, when the number of children entering

care increased the most. Since peaking in 1990, the number of children entering care has leveled off.

**Figure 2: Foster Care Caseloads, 1983-1993**



Source: APWA VCIS.

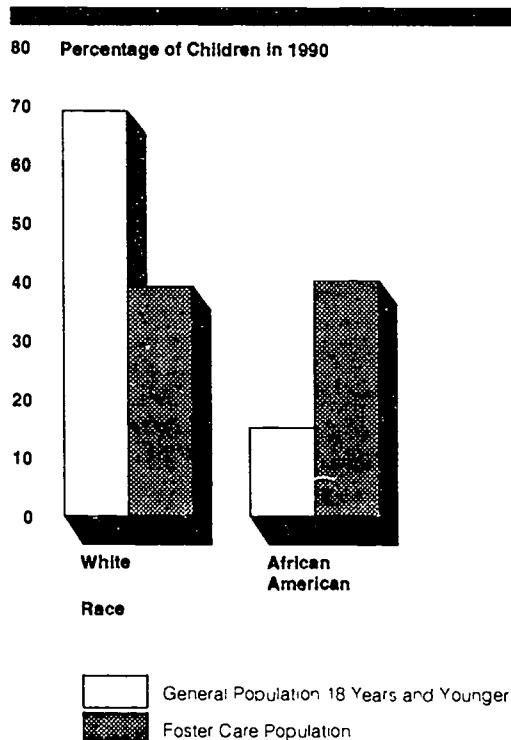
Meanwhile, the number of foster children who were eligible for federal matching funds, by virtue of their family's eligibility for AFDC, grew by a larger percentage than the number of foster children in general. In 1993, about half of all children in foster care were eligible for federal matching funds under title IV-E. California and New York, the two states with the largest foster care caseloads, accounted for one-third of all foster children and much of the increase in title IV-E eligible children.

### More Minority and Young Children Are in Care

Although trends in the characteristics of foster children vary by state, since 1983, foster children increasingly have come from minority groups

and have been younger. The 1990 foster care population consisted of 40 percent African Americans and 11 percent Hispanics compared with 39 percent whites.<sup>8</sup> Not only are more minorities entering, but, once placed in foster care, African American and Hispanic children remain longer and leave at slower rates than whites.<sup>9</sup> African American children, in particular, are disproportionately represented in foster care, as shown in figure 3, and, if the trend continues, caseloads may increasingly consist of minority children removed from their homes for prolonged stays in foster care.

**Figure 3: Proportion of White and African American Children in General Population and Foster Care, 1990**



Sources. For the general population, U.S. Census Bureau. Statistical Abstracts; for the foster care population, APWA VCIS data from 31 states.

<sup>8</sup>1990 is the most recent year for which nationwide data on characteristics are available from the American Public Welfare Association's (APWA) Voluntary Cooperative Information System (VCIS), the major source of nationwide information on foster care.

<sup>9</sup>Toshio Tatara, *A Comparison of Child Substitute Care Exit Rates Among Three Different Racial/Ethnic Groups in 12 States, FY 84 to FY 90*, APWA, Research Note #10 (Washington, D.C.: June 1994).

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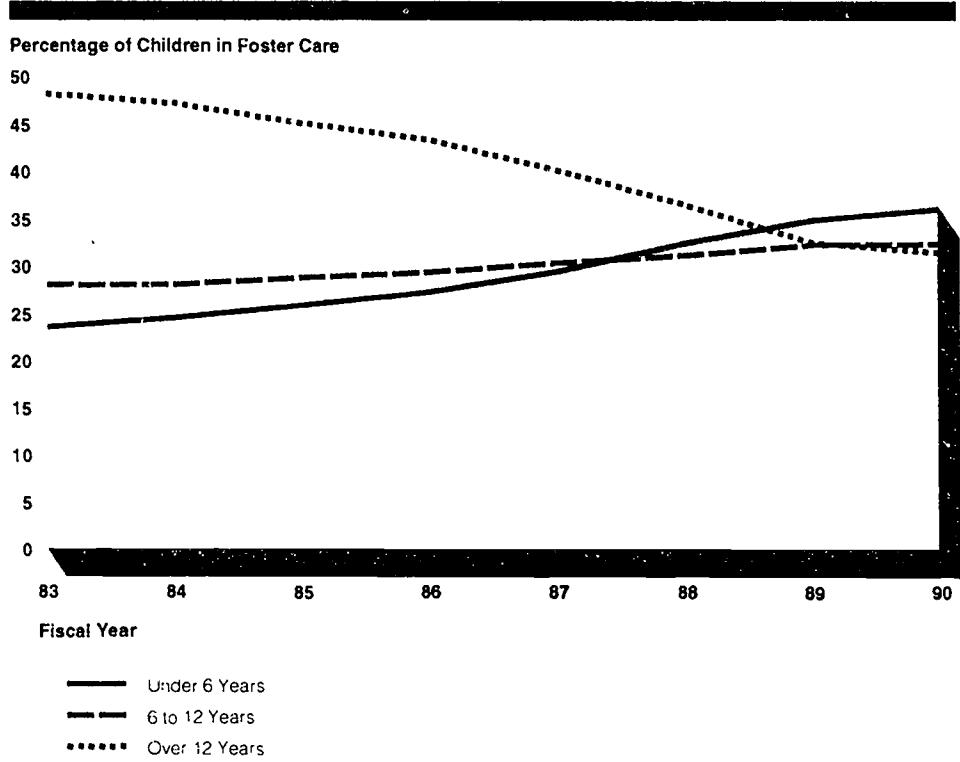
Also by 1990, the average median age of children in foster care had dropped from 12.6 to 8.6 years of age,<sup>10</sup> as the percentage of preschoolers increased by 50 percent and the percentage of teens declined (see fig. 4). The increase in infants entering the system is particularly striking. Although the majority of foster children entered the system between the ages of 1 and 12, the percentage of children entering care who were under 1 year increased by two-thirds from 1983 to 1990, leading to a foster care "baby boom." Further, infants are staying in foster care longer than any other age group, and as their time in care increases, their chance of being adopted decreases.<sup>11</sup>

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<sup>10</sup>APWA VCIS.

<sup>11</sup>R.M. Goerge, F.H. Wulczyn, and A.W. Harden, Foster Care Dynamics 1983-1993: An Update from the Multistate Foster Care Data Archive, The Chapin Hall Center for Children, University of Chicago (Chicago: 1995).

**Figure 4: Foster Children by Age, 1983-1990**



Source: APWA VCIS. Number of states responding in each year is 30 (fiscal year 1983), 33 (fiscal year 1984), 32 (fiscal year 1985), 33 (fiscal year 1986), 26 (fiscal year 1987), 26 (fiscal year 1988), 27 (fiscal year 1989), 23 (fiscal year 1990). Nine states gave data in all 8 years.

### Foster Children Have Greater Service Needs Than in the Past

Children are also entering care from families more troubled than in the past and with greater emotional, behavioral, and medical needs. Such families today more often face economic hardship, substance abuse, homelessness, mental or physical illness, or the imprisonment of a family member. In Los Angeles County, New York City, and Philadelphia County in 1991, over half of the preschool-age foster children were estimated to have serious health-related problems, including developmental delays, low birth weight, heart problems, and human immunodeficiency virus (HIV) infection. An estimated 62 percent of the preschool-age foster children were at risk of serious health problems due to prenatal drug exposure, more than double the 29 percent at risk of such problems in 1986.<sup>12</sup>

<sup>12</sup>See *Foster Care: Parental Drug Abuse Has Alarming Impact on Young Children* (GAO/HEHS-94-89, Apr. 4, 1994).

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Children with these complex needs require a variety of community-based services and a level of care not required in the past. A California study found that foster children were 10 times more likely to use mental health services than other children on Medicaid and that they were hospitalized for mental conditions almost twice as long.<sup>13</sup> For this reason, while foster children constituted only 4 percent of California children on Medicaid they accounted for 40 percent of all Medicaid mental health expenditures.

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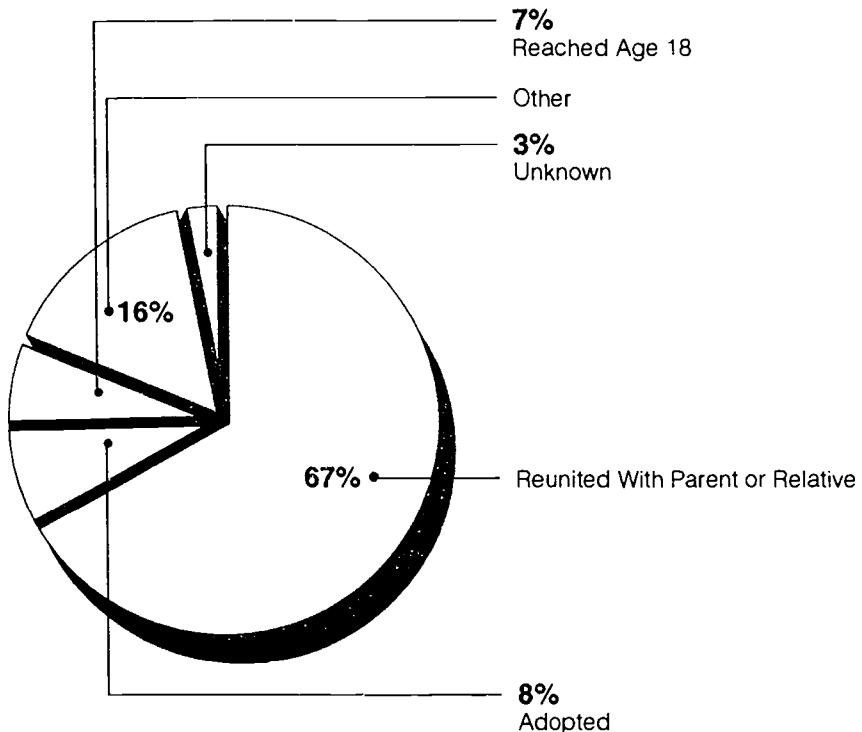
**Permanent Living Arrangements Following Foster Care May Be Delayed or Unstable**

Children who leave foster care are increasingly returned home when caseworkers consider it safe. About 67 percent of children leaving care in 1990 returned to their families (see fig. 5), up from 56 percent in 1983. Meanwhile, the percentage of children adopted declined from 12 to 8 percent.

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<sup>13</sup>N. Halfon, G. Berlowitz, L. Klee, "Children in Foster Care in California: An Examination of Medicaid-Reimbursed Health Services Utilization," Vol. 89 Pediatrics (1992), pp. 1230-37.

**Figure 5: Disposition of Children Leaving Foster Care, 1990**



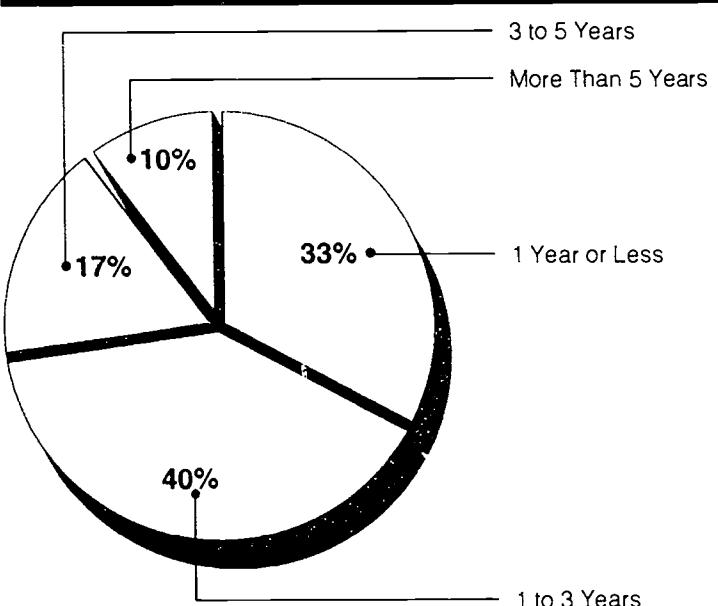
Note: "Other" includes such reasons as placement with a legal guardian, marriage, running away, incarceration, death, or discharge to another public agency

Source: APWA VCIS data from 24 states.

Although foster care is a relatively short-term experience for many children, some children remain in care for extended periods. Of the children leaving care in 1990, for example, 50 percent had been in foster care for 8 months or less. However, of those remaining in care, over 25 percent had been in foster placements for at least 3 years. (See fig. 6.) Foster children for whom adoption is ultimately planned spend an average of 4 to 6 years in foster care, according to a 1991 report on adoptions in 20 states.<sup>14</sup>

<sup>14</sup>See J.K. McKenzie, "Adoption of Children With Special Needs," *The Future of Children: Adoption*, Vol. 3, The Center for the Future of Children (Los Altos, Cal.: Spring 1993).

**Figure 6: Length of Stay in Foster Care at the End of 1990**



Source APWA VCIS data from 22 states

The shorter the initial stay in foster care, the more likely it appears that children who are reunited with their parents will reenter care.<sup>15</sup> In Los Angeles County and New York City, for example, 32 percent of children whose initial stay in foster care was less than 1 year later returned to care, compared with 16 percent of children whose initial stay was 1 year or longer.

Youths who leave foster care at age 18 because they are no longer eligible may experience unstable and troubled lives. A study conducted 2.5 to 4 years after youths left foster care found that 46 percent had not completed high school, 38 percent had not held a job for more than 1 year, 25 percent had been homeless for at least one night, and 60 percent of young women

<sup>15</sup>Foster Care: Children's Experiences Linked to Various Factors: Better Data Needed (GAO/HRD-91-64, Sept. 11, 1991).

had given birth to a child.<sup>16</sup> Forty percent had been on public assistance, incarcerated, or a cost to the community in some other way.

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## Resources Have Not Kept Pace With Service Needs

The child welfare system has been under great pressure to meet increased demands. States and localities provide the majority of funding for foster care and child welfare services. From 1983 to 1993, rising caseloads have increased federal, state, and local expenditures for foster care dramatically, leaving proportionately less for child welfare services. Federal foster care funds cannot be used to pay for most child welfare services, and available state funds are increasingly required for investigations of abuse and neglect reports. As a result, states have found it difficult to ensure that child welfare services are sufficiently funded to meet needs. Other resource constraints have included problems recruiting and retaining caseworkers, shortages of available foster parents, and difficulties obtaining needed services from systems outside the control of child welfare.

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## Foster Care Expenditures Have Increased Dramatically at All Levels of Government

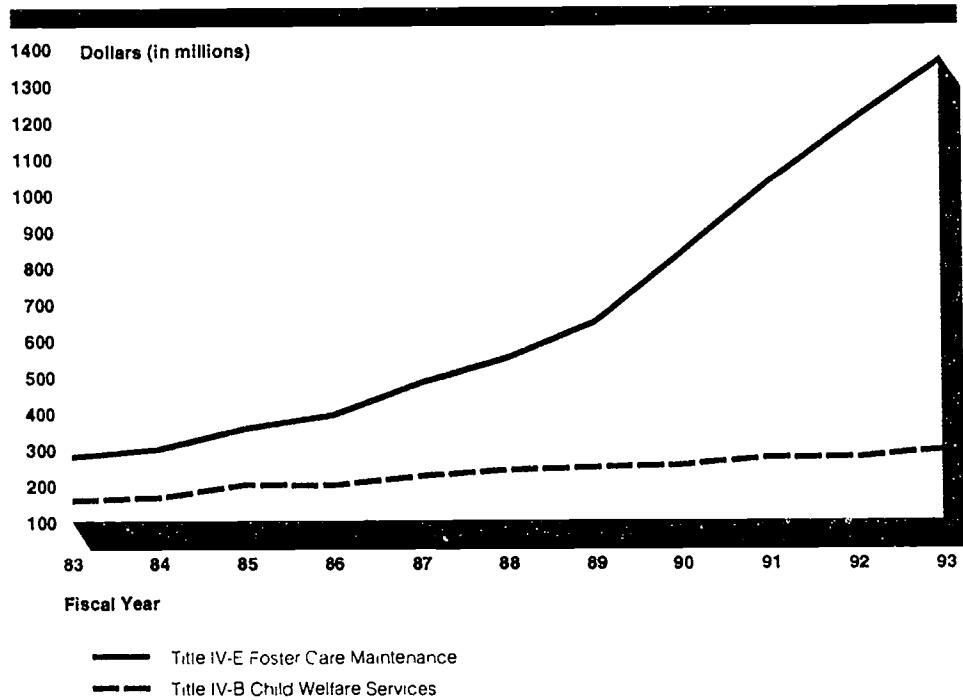
With increasing foster care caseloads, expenditures for the basic needs of foster children and program administration have risen dramatically at all levels of government. Federal expenditures grew faster than state expenditures in three of the largest states from 1983 to 1993. Nevertheless, as of 1990, states and localities continued to fund about 65 percent of all foster care.

Federal costs of foster care maintenance increased by over 350 percent (see table 1) from 1983 to 1993 in California and New York, which approaches the nationwide increase of nearly 400 percent for this period. (See fig. 7.)

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<sup>16</sup>A National Evaluation of Title IV-E Foster Care Independent Living Program for Youth: Phase II Final Report, Vols. I and II, Westat, Inc. (Rockville, Md.: 1991).

**Figure 7: Expenditures for Title IV-E Foster Care Maintenance and Title IV-B Child Welfare Services, 1983-1993**



Source: Overview of Entitlement Programs; 1994 Green Book, Committee on Ways and Means, U.S. House of Representatives.

The rapid rise in federal foster care expenditures has been linked to several simultaneous developments: States have increased efforts to determine children's eligibility for federal funds; more children have become eligible under AFDC rules for IV-E assistance; and payments to providers have increased in most states. Further, federal administrative costs<sup>17</sup> have increased over the same period as states have increasingly emphasized the case management and placement activities required by federal law (see app. IV) and sought full reimbursement for these activities. By 1993, nearly \$1.1 billion in IV-E reimbursement went to states for foster care administrative activities, almost as much as the \$1.3 billion that went for foster care maintenance in that year.<sup>18</sup>

<sup>17</sup>Expenditures for administrative activities include costs required to recruit and license foster homes, determine children's title IV-E eligibility, and manage cases (see app. II).

<sup>18</sup>Overview of Entitlement Programs; 1994 Green Book.

At the state level, foster care expenditures also rose between 1983 and 1993. For example, California and New York increased expenditures for foster care maintenance payments by about 200 percent, while Michigan's expenditures doubled, as shown in table 1.<sup>19</sup>

**Table 1: Changes in Foster Care Caseloads and Related Expenditures in Three States, 1983-1993**

	State		
	California	Michigan	New York
Foster care caseload growth	119%	50%	108%
<b>Foster care maintenance expenditures</b>			
State and local	258	112	183
Federal IV-E	381	146	356
<b>Child welfare services expenditures</b>			
State and local	309 <sup>a</sup>	213	239
Federal IV-B	131	80	-14 <sup>b</sup>

<sup>a</sup>Percent change from 1985 to 1992. Data for other years are not available.

<sup>b</sup>The allocation formula under IV-B reduced New York's grant from \$18 million to \$15.5 million.

Because of fiscal difficulties states experienced in the early 1990s,<sup>20</sup> they looked to localities and the federal government to assume greater shares of foster care costs. California, Michigan, and New York, for example, are among the states that increased the portion of foster care maintenance payments supported by local funds. Faced with a \$14 billion budget deficit in 1992, California increased counties' portion of foster care maintenance payments by 1,100 percent.

### Available Funding and Competing Demands Constrain Child Welfare Services

Available funding and competing demands from other activities have constrained resources available for child welfare services. Despite increasing appropriations, the federal government spent about \$.12 on child welfare services in 1993 for every \$1 it spent on foster care, as compared with about \$.40 in 1983. While states and localities have continued to provide the majority of funds for child welfare services, they have found it increasingly difficult to maintain sufficient funding levels to ensure that needs are met.

<sup>19</sup>State and local expenditure data are not routinely reported. We obtained this information directly from the three states shown. These states include the two with the nation's largest caseloads—California and New York.

<sup>20</sup>This is according to fiscal surveys of states conducted by the National Association of State Budget Officers and the National Governors' Association.

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At the national level, title IV-B appropriations increased 88 percent from 1983 through 1993, lagging behind increases in federal foster care maintenance costs, as shown in figure 7.<sup>21</sup> Increases in federal expenditures for child welfare services also lagged behind state and local expenditure growth during this period.

State and local expenditures for services rose dramatically from the early 1980s to the early 1990s and represented over half of all funding as of 1990. In California, Michigan, and New York, state and local expenditures for child welfare services increased by over 200 percent (see table 1). Meanwhile, federal IV-B funding for California and Michigan increased at half these rates and in New York actually decreased by 14 percent.

Although federal law requires the provision of direct child welfare services to children and families, these services generally cannot be supported with federal funds designated for foster care.<sup>22</sup> Available state funds, meanwhile, have been stretched to the limit to cover increasing demands from other activities. Most notably, rising reports of abuse and neglect have led states to devote more resources to investigating reports, leaving less for providing services.

Because of constrained resources and competing demands, states have not been able to ensure that child welfare services are sufficient to meet needs. For example, an APWA survey of agencies in every state found that services were limited and generally involved managing, rather than treating, families and their abused or neglected children. Since 1987, children's advocates have successfully filed class action lawsuits on behalf of children against eight states, obtaining court orders to improve child welfare services, and similar cases are pending in other states.<sup>23</sup>

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### Shortages of Caseworkers and Foster Parents Further Strain Service Delivery

Next to funding, states report that staffing is the most serious issue facing their child welfare systems. In response to an APWA survey, 90 percent of states reported difficulty recruiting and retaining caseworkers. Caseworkers are at the heart of the foster care system, visiting children

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<sup>21</sup>The Congress authorized a new IV-B program for family preservation and support services designed to prevent the need for foster care and appropriated \$60 million for start-up activities in 1994.

<sup>22</sup>AFDC funds for emergency assistance to families have been used for services, particularly since 1993. See Review of Rising Costs in the Emergency Assistance Program, Department of Health and Human Services, Office of the Inspector General (Washington, D.C.: 1995).

<sup>23</sup>The eight states are Alabama, Arkansas, Connecticut, District of Columbia, Illinois, Indiana, Kansas, and Utah.

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and families in their homes and arranging services to help prevent the need to remove children from their homes, or, in case of their removal, to find permanent living arrangements for foster children. Caseworkers also coordinate contacts among families and children with health, mental health, and other service systems.

State officials attributed difficulties in recruiting and retaining caseworkers to several factors, including hiring freezes, low pay, and poor working conditions. These factors, in turn, led to staff shortages, high caseloads, and high burnout and turnover rates among caseworkers. In some jurisdictions, caseloads have reached 100 cases per caseworker, well above the 25 per caseworker recommended by the National Association of Social Workers. In New York City, annual turnover rates for caseworkers have been as high as 75 percent, so that each year most foster children, who have suffered from unstable families, get a new caseworker.

Foster parents are the other essential component of an effective service delivery system, but the supply of foster parents has lagged behind the growth in the foster care caseload. While the number of children in foster care has increased, the number of foster homes has decreased.<sup>24</sup> Child welfare experts attribute this growing shortage of foster homes to several factors, including the poor public image of foster care, low reimbursement rates, inadequate support services, greater difficulties caring for today's more troubled foster children, and increased employment opportunities for women. In some states, the shortage of foster homes is so great that children are placed in temporary shelters or shuttled from one place to another until a proper home can be found, according to the National Foster Parent Association.

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#### Fragmented Service Delivery System Exacerbates Problem

Difficulties providing families and children with services also arise because many needs must be met by services, such as medical care and drug treatment, that are outside the control of the child welfare system. Rarely does a single state or local agency have control over the full array of services required to address the needs of increasingly troubled children and families who have many problems. Rather, a complex set of service delivery systems must be tapped; these are usually linked to separate categorical funding sources and different eligibility criteria.

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<sup>24</sup>See *Foster Parents: Recruiting and Preservice Training Practices Need Evaluation* (GAO/HRD-89-86, Aug. 3, 1989).

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Because caseworkers may be overworked and families may often lack the sophistication and resources necessary to arrange services on their own behalf, some children and families may experience delays or gaps in service. For example, when we visited metropolitan areas in three states, we found that many foster children under age 3 lacked routine health examinations and immunizations.<sup>25</sup>

The goals of the child welfare system and those of various programs may also be inconsistent. For example, caseworkers report that more parents of abused and neglected children are addicted to drugs than in the past. Although one of the primary goals of the current child welfare system is to keep families together, residential drug treatment programs are rarely able to accommodate the children of parents undergoing treatment. For parents to receive treatment, therefore, some children must be placed in some kind of foster care.

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## States Struggle to Meet Caseload and Resource Challenges

In response to the escalating pressure on the foster care system, states have adopted various measures to meet changing foster care needs. Many states provide family preservation services to avoid the need for foster care or facilitate the return of foster children to their families. When children must be removed from their homes, many states give preference to placing them in kinship care with relatives to maintain family ties, and, in some cases, save on costs. In addition, some states are considering the use of specialized foster parents for children with health or other unique needs because these parents provide more family-like care than institutions, and at the same time, save costs. To find permanent homes for foster children who cannot return to their families, states have also participated in a federal adoptions assistance program, although significant barriers to adoption still exist.

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## States Seek to Preserve Families and Minimize the Need for Foster Care

States have acted to strengthen families to lessen the likelihood of continued abuse and neglect and minimize the need for foster care. To prevent the need for foster care, states and localities are experimenting with providing family preservation services. Families with children at risk of abuse or neglect receive a combination of services over several weeks or months arranged by caseworkers who generally make frequent home visits and concentrate on helping a few families. Services can include

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<sup>25</sup>See *Foster Care: Health Needs of Many Young Children Are Often Unknown and Unmet* (GAO/HEHS-95-114, May 26, 1995).

training in parenting and housekeeping, transportation, and mental health and family counseling.

Studies show that family preservation services can preclude the need for foster care at least up to 1 year, although little is known about long-term results.<sup>26</sup> Because costs for family preservation services are a fraction of foster care costs, these findings offer some promise of cost savings. In 1993, 48 states offered some family preservation services. Despite promising early results, resources are still sufficiently limited so that most states cannot offer family preservation services to all clients in need of services.<sup>27</sup> However, such services should expand as a result of recent federal funding earmarked for this purpose.

### States Increase Use of Kinship Care

When foster care is necessary, states have increasingly placed children with relatives in what is called kinship care. The proportion of foster children placed with relatives grew from 18 percent to 31 percent between 1983 and 1990 in 25 states, including California and New York.<sup>28</sup> The proportions were even higher in some metropolitan areas, such as New York City, where about half of foster children were in kinship care in the early 1990s. African American children are especially likely to be placed in kinship care. About 29 states give preference to kinship care when appropriate.

States have increased their use of kinship care for a variety of reasons: to maintain children's ties to their families; encourage long-term placements; meet federal standards of care (see app. IV); offset shortages of traditional foster homes; and, in some cases, save on costs by offering lower payments. Kinship care is less costly than traditional foster homes in those states where relatives are ineligible for state foster care payments. Although relatives might be eligible for assistance from AFDC, AFDC levels are significantly lower than state foster care maintenance payments.

Kinship care, however, poses several challenges. First, children's access to needed services may be more limited because kinship foster parents are more likely to live in impoverished communities and lack experience accessing needed services than other foster parents. Second, children may

<sup>26</sup>See Foster Care: Services to Prevent Out-of-Home Placements Are Limited by Funding Barriers.

<sup>27</sup>See Child Welfare: Opportunities to Further Enhance Family Preservation and Support Activities (GAO/HEHS-95-112, June 15, 1995).

<sup>28</sup>Using Relatives for Foster Care, HHS, Office of the Inspector General (Washington, D.C., July 1992).

be more vulnerable to repeated neglect or abuse because they are more at risk of unsupervised visits with parents or other relatives from whose care they were removed. Third, child welfare agencies do not always monitor or supervise kinship care placements as much as traditional foster care placements. Finally, children in kinship care tend to stay in foster care longer than other foster children because, for various reasons, child welfare agencies are less likely to arrange alternative placements, such as guardianship or adoption. In those states where relatives receive AFDC rather than foster care payments, AFDC costs may offset savings that might have resulted from lower reimbursement rates when children remain in kinship care for prolonged periods.

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#### Specialized Family Foster Care Addresses Needs in Less Institutional Setting

Increasingly, states are using specialized foster parents rather than institutional care to provide more nurturing and family-like care at reduced costs for children and adolescents with special needs. These children include those who are severely emotionally disturbed, medically complex or fragile, HIV positive, or delinquent. Specialized care typically involves therapy or treatment provided in the foster home.

To meet the unique needs of foster children they serve, specialized foster parents are generally carefully selected and trained. In addition, they are paid at higher rates, provided more agency support and supervision, and given access to more comprehensive referral services than traditional foster parents. Although generally more expensive than traditional foster family care, specialized care is less expensive and considered more nurturing than institutional care in group homes, residential facilities, or psychiatric institutions.

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#### States Participate in Adoption Initiative for Hard-to-Place Foster Children

States also participate in the federal adoptions assistance program, which is designed to obtain stable, permanent homes for certain foster children. This program encourages the adoption of federally eligible foster children who cannot return to their biological families and have special needs that make them difficult to place. Title IV-E provides an open-ended individual entitlement that helps cover one-time adoption expenses and offers monthly payments to adoptive families of children who might otherwise languish in foster care because of their age; minority status; disabilities; emotional, behavioral, or learning problems; or other special needs. Studies have indicated that such assistance increases the likelihood of adoption of older and minority children and is cost effective. Regarding costs, a Westat study found that adoption assistance saved the government

\$1.6 billion from 1983 to 1987 over what costs would have been if children had remained in foster care.<sup>29</sup>

The success of the adoption assistance program in reducing foster care caseloads and costs, however, appears to be limited by barriers to timely adoptions.<sup>30</sup> Many states view federal standards (see app. IV) as requiring a sequential approach to the permanent placement of foster children and therefore plan for family reunification before considering adoptions.<sup>31</sup> Further, once adoption is planned, delays often occur in terminating parental rights, a required step before adoptions can be arranged. This occurs, in part, because the courts lack a clear consensus on the proper balance among the needs of biological parents, adoptive parents, and the child. Attempts to ensure racial or ethnic matches between children and adoptive parents are also believed to add delays.<sup>32</sup>

## The Congress Considering Changes to Child Welfare Programs

The Congress is currently debating proposals to replace foster care and other child welfare programs with a block grant. The Child Protection Block Grant (CPBG)—title II of H.R. 4—passed by the House of Representatives on March 24, 1995, would consolidate foster care and at least 18 related child welfare programs into a single block grant to states. (See app. III.) CPBG would eliminate restrictions on states' use of various funding sources under the current programs, place annual limits on funding, and allocate funds to states on the basis of past rather than current expenditures. Federal eligibility criteria and oversight largely would be eliminated, and standards and planning and reporting requirements would be streamlined to allow states more flexibility in designing and administering their programs.<sup>33</sup>

Federal, state, and local officials and child welfare experts we consulted (see app. I) noted possible benefits of CPBG. First, officials agreed that

<sup>29</sup>A.J. Sedlak and D.D. Broadhurst, Study of Adoption Assistance Impacts and Outcomes: Final Report, Vol. I, Westat, Inc. (Rockville, Md.: 1993).

<sup>30</sup>See also Barriers to Freeing Children for Adoption, HHS, Office of the Inspector General (Washington, D.C.: 1991).

<sup>31</sup>Washington state is experimenting with concurrent reunification and adoption efforts to decrease the time needed to place children for adoption.

<sup>32</sup>The Howard M. Metzenbaum Multi-Ethnic Placement Act of 1994 (P.L. 103-382) bars these practices. Although the block grant proposal repeals this act, it substitutes similar language prohibiting racial or ethnic barriers to adoption.

<sup>33</sup>See Karen Spar's Welfare Reform: Implications of H.R. 4 for Child Welfare Services (CRS 95-566 EPW), Congressional Research Service (Washington, D.C.: May 1996).

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capping the block grant would control federal foster care expenditures and might result in savings at that level. Second, officials generally agreed that CPBG would provide increased program flexibility so that states could respond more quickly and creatively to changing caseload needs. For example, states would be able to use funds, formerly restricted to foster care, for preventive and rehabilitative services—a move that some states believe holds promise for controlling caseload growth. Further, increased flexibility resulting from simplified planning, reporting, and eligibility criteria would streamline administration and could cut costs. As a result, states could more easily shift resources to areas of greater need.

On the other hand, many experts expressed concern that the block grant would shift much of the financing burden to the states, which might be unable to support increased caseloads without reducing services.<sup>34</sup> They were also concerned that, due to reduced federal funding and oversight, the quality of foster care could be adversely affected.

Our work on block grants suggests that three lessons can be drawn from the experience with the 1981 block grants<sup>35</sup> that would have value to the Congress as it considers creating new ones. First, a clear need exists to focus on accountability for results to provide the Congress with information on program performance. Second, funding allocations to states should be studied carefully and reflect need, ability to pay, and variations in the cost of providing services. Finally, because the programs in the current proposal are much larger and essentially different from those programs included in the 1981 block grants, states are likely to face greater challenges than they did in the early 1980s.

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<sup>34</sup>Advocates expect foster care caseloads to grow to accommodate children ineligible for AFDC under the proposed welfare block grant. Growing caseloads, in turn, would shift funds from services to payments to foster care providers.

<sup>35</sup>Under the Omnibus Reconciliation Act of 1981, the administration of federal domestic assistance programs was substantially changed by consolidating more than 50 categorical grant programs into nine block grants and shifting primary administrative responsibility for these programs to the states.

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In addition to Members of the Congress, we are providing copies of this report to the Secretary of Health and Human Services, state child welfare directors, and other interested parties. Should you have any questions or wish to discuss the information provided, please call me at (202) 512-7230. Other GAO contacts and staff acknowledgments appear in appendix VI.



Jane L. Ross  
Director, Income Security Issues

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**Abbreviations**

AFDC	Aid to Families With Dependent Children
APWA	American Public Welfare Association
CAPTA	Child Abuse Prevention and Treatment Act
CPBG	Child Protection Block Grant
HHS	Department of Health and Human Services
HIV	human immunodeficiency virus
SSI	Supplemental Security Income
VCIS	Voluntary Cooperative Information System

# Organizations and Experts Contacted Regarding Foster Care and Block Grant Proposed Under Title II of H.R. 4

Organization	Expert
American Enterprise Institute	Douglas Besharov
American Public Welfare Association	Jan Cooper, Betsy Rosenbaum, Pat Shapiro, Toshio Tatara
California Department of Social Services	Wes Beers, Marilyn Lewis
Center on Effective Services for Children	Jule Sugarman
Center for Law and Social Policy	Jodie Levin-Epstein
Center for the Study of Social Policy	Mark Friedman, Charles Gershenson, Judy Meltzer
Child Welfare League of America	Mike Petit
Congressional Budget Office	Sheila Dacey, John Topogna
Congressional Research Service	Dale Robinson, Karen Spar
Congressional Quarterly	Jeffrey Katz
County Welfare Directors' Association of California	Frank Mecca
Los Angeles County Department of Children's Services	Peter Digre
Massachusetts Department of Social Services	Linda Carlisle
Michigan Department of Social Services	Stephanie Comai-Page
National Conference of State Legislatures	Shelly Smith, Jack Tweedie
New York State Department of Social Services	Fred Wulczyn
North Dakota Department of Social Services	Don Schmid
U.S. Department of Health and Human Services	
Children's Bureau	Michael Ambrose, Dan Lewis, Penny Maza
National Center on Child Abuse and Neglect	David Lloyd
Office of Human Services Policy, Division of Children and Youth	Laura Feig, Matthew Stagner
University of California Berkeley Child Welfare Research Center	Richard Barth, Jill Duerr Berrick, Barbara Needell
University of Chicago Chapin Hall Center for Children	Robert Goerge
University of Washington School of Social Work	James Whittaker
Westat	Diane Broadhurst, Ronna Cook, Andrea Sedlak
Washoe County, Nevada, Department of Social Services	May Shelton
Wisconsin Division of Community Services	Linda Hisgen

# Funding to States Under Social Security Act

## Titles IV-B and IV-E

Program	Federal support	Eligibility	Allowable costs
Title IV-B Child Welfare Services	Nonentitlement for 75 percent match with 1995 appropriations cap at \$292 million	No eligibility criteria	Child welfare services to prevent abuse, neglect; foster care; reunited families; arrange adoptions; ensure adequate foster care
Title IV-B Family Preservation and Support	State entitlement for 75 percent match with 1995 cap at \$150 million		Services to support families and prevent need for foster care
Title IV-E Foster Care	Individual entitlement with open-ended funding; state claims in 1995 for reimbursement of \$3.1 billion	AFDC-eligible children	Payments to foster care providers; may not be used for direct services
Maintenance	Match at Medicaid rate (50 to 83 percent)		Basic maintenance, including children's food and shelter <sup>a</sup> plus parental visits
Administration	Match of 50 percent		Case management, eligibility determinations, licensing, and other administrative costs
Training	Match of 75 percent		Training of agency staff and foster parents
Title IV-E Adoption Assistance	Individual entitlement with open-ended funding; state claims in 1995 for reimbursement of \$426 million	Special needs children <sup>a</sup> eligible for AFDC or SSI <sup>b</sup>	Payments to adoptive parents not to exceed comparable foster care amounts; nonrecurring adoption expenses
Maintenance	Match at Medicaid rate		Basic maintenance <sup>c</sup>
Administration	Match of 50 percent		Child placement and other administrative activities
Training	Match of 75 percent		Training of agency staff and adoptive parents
Nonrecurring Expenses	Match of 50 percent up to \$2,000 per placement	Special needs children	Reasonable and necessary adoption fees, court costs, attorney fees, and related expenses
Title IV-E Independent Living	State entitlement for 50 percent match of first \$45 million of \$70 million of 1995 cap	Foster children at least 16 years old	Services to assist in transition from foster care to independent living, including basic living skills training and education and employment initiatives

<sup>a</sup>A special needs child is defined in the statute as a child for whom the state determines that a specific condition or situation, such as age; membership in a minority or sibling group, or a mental, emotional, or physical handicap prevents placement without special assistance

<sup>b</sup>The Supplemental Security Income (SSI) program provides cash benefits to disabled children

<sup>c</sup>Basic maintenance includes expenditures for food, shelter, daily supervision, school supplies, incidentals, liability insurance for the child, reasonable travel to the child's home for visits, and, for group homes and institutions, some overhead.

# Child Welfare Programs Proposed for Consolidation Under Title II of H.R. 4 and Fiscal Year 1995 Appropriations

Dollars in millions	
Programs	Funding
<b>Mandatory entitlements authorized under the Social Security Act</b>	
Family Preservation and Support	\$150.0
Adoption Assistance	399.3 <sup>a</sup>
Foster Care	3,128.0 <sup>a</sup>
Independent Living	70.0
<b>Total entitlement spending</b>	<b>\$3,747.3</b>
<b>Discretionary programs authorized under the Social Security Act</b>	
Child Welfare Services	\$292.0
Research and Demonstration	6.4
Training	4.4
<b>Discretionary programs authorized under the Child Abuse Prevention and Treatment Act (CAPTA)</b>	
HHS administered	
Child Abuse Research and Demonstration Grants	15.4
Child Abuse State Grants	22.9
Community-Based Family Resource Grants	31.4
<b>Other discretionary programs</b>	
HHS administered	
Abandoned Infants Assistance	14.4
Adoption Opportunities	13.0
Temporary Child Care for Children With Disabilities and Crisis Nurseries	11.8 <sup>b</sup>
Family Support Centers	7.4
Department of Justice administered	
Children's Advocacy Centers	3.0
Grants to Improve the Investigation and Prosecution of Child Abuse Cases	2.0
Missing and Exploited Children	7.0
Department of Housing and Urban Development administered	
Family Unification Program	7.6
<b>Total discretionary spending</b>	<b>\$438.7</b>

Note: We list 18 programs proposed for consolidation in the Child Protection Block Grant, title II of H.R. 4 passed by the House of Representatives in 1995. Other congressional sources list 22 programs as being consolidated. We list four fewer programs because we treat title IV-E Foster Care and title IV-E Adoption Assistance as one program each, whereas other sources break out both programs into their three parts: maintenance payments, administration, and training.

<sup>a</sup>Estimated in February 1995.

# Federal Foster Care Standards in Current Law and Title II of H.R. 4

Standard	Current law	Block grant
<b>Applicable to all children</b>		
Abuse and neglect reports	Enact laws to mandate reporting and investigate promptly	x x
Child's safety	Protect children	x x
<b>Applicable to federally eligible children at risk of foster care</b>		
Services to family	Make reasonable efforts to improve family conditions so child need not be removed from home	x
<b>Applicable to all foster children</b>		
Child's safety	Ensure proper care	x
Services to family	Provide services to improve family conditions so foster child can return to family	x
Services to foster family	Provide services to assist in permanent placement	x
Parent's rights	Procedurally safeguard parent's rights when child is removed from home, the foster placement is changed, or visitation is at issue	x
Family's rights	Protect family's rights	x
Foster care placement	Place child in most family-like, least restrictive setting available that meets child's needs and best interests	x
	Place child in close proximity to parents' home consistent with child's needs and best interests	x
Case plan	Have written plan for foster child with goal for permanent home	x
	Include placement type, appropriateness, health and education records	x
	Include information on children collected regularly	x
Case review	Ensure that foster placement is needed, appropriate, and in compliance with plan	x
	Hold every 6 months	x x
Court hearing	Decide disposition or future of child within 18 months of placement	x
	Decide disposition or future of child within 3 months of fact-finding hearing	x

# Recent GAO Reports and Testimonies on Child Protection, Foster Care, Adoption, and Related Topics

## Child Abuse and Neglect Prevention

**Child Abuse: Prevention Programs Need Greater Emphasis**  
(GAO/HRD-92-99, Aug. 3, 1992)

Child abuse prevention programs have been shown to be effective and may pay for themselves by lowering the social costs resulting from child abuse. However, federal child abuse prevention funding appears relatively low compared with federal expenditures for assistance to abuse victims. Prevention programs have difficulty meeting their funding needs because grants are short term and come from multiple sources, which increases programs' administrative costs.

**Child Abuse and Neglect Progress of the National Center Since May 1991**  
(GAO/T-HRD-92-14, Mar. 6, 1992)

Since May 1991, the National Center on Child Abuse and Neglect has made some progress in monitoring grant programs, managing the clearinghouse and resource centers on child abuse data, and obtaining more staff and expertise. Despite these encouraging signs, administrative effectiveness may not improve because of the Center's growing workload. The Center continues to fall short in providing timely on-site monitoring, assessing its technical assistance, and submitting required reports to the Congress. The Center's limited resources continue to hinder its goal of providing leadership in preventing and treating child abuse and neglect.

**Child Abuse and Neglect: NCCAN's Implementation of CAPTA of 1988**  
(GAO/T-HRD-91-29, May 9, 1991)

Although the National Center on Child Abuse and Neglect addressed the requirements of the Child Abuse Prevention and Treatment Act of 1988 to varying degrees, staff and resource shortages hindered its grant administration. Further, the Center's implementation of the act does not satisfy all of the requirements.

**Child Abuse Prevention: Status of the Challenge Grant Program**  
(GAO/HRD-91-95, May 9, 1991)

By fiscal year 1989, 42 states had established child abuse prevention trust funds with a median trust fund revenue of about \$240,000. Although more than \$94 million in state funds were available for child abuse prevention activities, only \$40 million were considered for federal matching funds. The total amount of federal funds spent on child abuse prevention was unknown.

## Foster Care

**Child Welfare:  
Opportunities to Further  
Enhance Family  
Preservation and Support  
Activities**  
(GAO/HEHS-95-112,  
June 15, 1995)

A crisis in the child welfare system has constrained states' ability to meet the service needs of our nation's most vulnerable children and their families. The family preservation and support provisions of the Omnibus Budget Reconciliation Act of 1993 were enacted to help states provide services designed to preserve families, especially those at risk of abusing and neglecting their children, and prevent unnecessary foster care placements. While activities implementing the law during its first 18 months appear to be on target, opportunities exist for HHS to further enhance state efforts to develop a viable plan and monitor results.

**Foster Care: Health Needs  
of Many Young Children  
Unknown and Unmet**  
(GAO/HEHS-95-114,  
May 26, 1995)

Important health-related needs, including routine medical examinations and various specialized services, remained unmet for nearly one-third of the young foster children in Los Angeles County, New York City, and Philadelphia County. Additionally, most young foster children in the locations reviewed were at high risk for the human immunodeficiency virus (HIV) as a result of parental drug abuse. Yet, foster care agencies have been slow to respond to one critical health need—HIV risk assessment—which is the first step in identifying infected children so that they can receive appropriate and timely health care. Few children in the locations reviewed were tested for the virus. Furthermore, young children in kinship care were less likely than those placed in traditional foster care to receive needed health-related services.

**Foster Care: Parental Drug  
Abuse Has Alarming  
Impact on Young Children**  
(GAO/HEHS-94-89, Apr. 4,  
1994)

Compared with the 1986 population, the 1991 population of young foster children in Los Angeles County, New York City, and Philadelphia County were more likely to have drug-abusing parents and to be at risk for health problems related to prenatal drug exposure. Seventy-eight percent of the foster children in 1991 had at least one drug- or alcohol-abusing parent, compared with 52 percent in 1986. Further, 62 percent of the foster children had a higher risk for future health-related problems because of prenatal drug exposure compared with 29 percent in 1986.

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**Residential Care: Some High-Risk Youth Benefit, But More Study Needed (GAO/HEHS-94-56, Jan. 28, 1994)**

Residential care appears to be a viable treatment option for some high-risk youths. Residential care programs report benefits in school attendance and in avoiding drug abuse and criminal activity. However, these programs seldom conduct controlled or comparison studies to determine how outcomes are linked to their treatment efforts, and few programs have conducted studies to show what happened to participants more than 12 months after they left the programs.

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**Foster Care: Federal Policy on Title IV-E Share of Training (GAO/HRD-94-7, Nov. 3, 1993)**

Federal funds for foster care and foster care training are made available to the states under title IV-E of the Social Security Act. Under current procedures, states allocate foster care training costs between the IV-E foster care program and other programs so that each program is charged its proportionate share of training costs on the basis of benefits received. Some state officials oppose the current HHS cost-sharing policy because it limits IV-E reimbursement and the amount of foster care training they can provide.

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**Foster Care: Services to Prevent Out-of-Home Placements Are Limited by Funding Barriers (GAO/HRD-93-76, June 29, 1993)**

The existing federal system for financing child welfare programs offers little incentive for states to provide services designed to keep families together and avert the need for foster care; instead, states find it easier to house a growing population in federally subsidized foster care. Various funding barriers limit states' ability to provide welfare services. Federal funding for foster care is open ended, but funding for direct child welfare services is limited. Further, state fiscal crises have limited funding for preventing foster care placements and family reunification services.

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**Foster Care: State Agencies Other Than Child Welfare Can Access Title IV-E Funds (GAO/HRD-93-6, Feb. 9, 1993)**

HHS has issued several policy statements clarifying eligibility requirements for reimbursement for foster care placements. The Department has reimbursed states for placements made by juvenile justice agencies since 1984. Of the states that responded to a 1991 survey, 21 claimed reimbursement for placements by juvenile justice agencies, and 13 claimed reimbursement for placements by mental health agencies.

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**Foster Care: Children's Experiences Linked to Various Factors; Better Data Needed**  
(GAO/HRD-91-64, Sept. 11, 1991)

We analyze data on length of stay in foster care and reentry for children who entered or left foster care in six states and two localities. Of children reunited with their families in 1986, up to 27 percent subsequently reentered foster care. The median length of stay for children entering or leaving care in 1986 in the states and localities reviewed varied from 8 to 19 months. Children whose initial stay in foster care was under a year, however, were more likely to reenter foster care than those whose initial stays were longer. Moreover, children placed in institutions in the states reviewed generally stayed in foster care longer than those placed in foster family homes.

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**Child Welfare: Monitoring Out-of-State Placements**  
(GAO/HRD-91-107BR, Sept. 3, 1991)

Our review of 42 children from 15 states showed that placement agencies complied with federal law regarding the frequency of case reviews. Despite budgetary constraints, most placement agencies visit the children to assess the children's well-being and progress in the treatment program.

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**Respite Care: An Overview of Federal, Selected State, and Private Programs**  
(GAO/HRD-90-125, Sept. 6, 1990)

Respite care provides temporary child care relief to family members and other caretakers of disabled children to prevent child abuse and neglect and support family unity. Respite care services are funded through state and local agencies, national organizations, and federal departments. Funding patterns differ among states. The demand for respite care services exceeds the available supply.

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**Foster Parents: Recruiting and Preservice Training Practices Need Evaluation**  
(GAO/HRD-89-86, Aug. 3, 1989)

The most effective recruiting strategies realistically portrayed foster care difficulties, emphasized foster care's temporary nature, and defined the positive role of foster parents. Effective preservice training focused on enabling foster parents to make informed decisions about foster children's needs, enabling social service agencies to assess foster parents' suitability for caring for foster children, and facilitated teamwork between social service agencies and foster parents. States have performed limited formal evaluations of their recruiting and preservice training practices, and few have comprehensively evaluated the effectiveness of various demonstration activities.

## Other

**Adoption: Assistance Provided by Selected Employers to Adopting Parents**  
(GAO/HRD-90-47FS, Dec. 19, 1989)

Fifty-six of 77 employers in our review financially assisted employees adopting children and commonly imposed a dollar limit on the amount of assistance. All 77 employers allowed adopting parents to use some form of unpaid or paid leave, but few employers provided adoption or parental leave benefits.

**Child Welfare: HHS Begins to Assume Leadership to Implement National and State Systems**  
(GAO/AIMD-94-37, June 8, 1994)

HHS' initiatives to address information system implementation problems include issuing final regulations and functional system requirements, working with the states to develop a draft system model for other states to follow in developing their systems, and hiring a contractor to help states develop their systems.

**Families on Welfare: Sharp Rise in Never-Married Women Reflects Societal Trend**  
(GAO/HEHS-94-92, May 31, 1994)

From 1976 to 1992, the proportion of single women receiving Aid to Families With Dependent Children (AFDC) who had never been married more than doubled, increasing from about 21 percent to about 52 percent. This change paralleled a broader societal trend among all single mothers. Single women receiving AFDC in 1992 were better educated, had fewer children, and worked as much as their counterparts in 1976, but were twice as likely to have incomes below the poverty level.

**Families on Welfare: Teenage Mothers Least Likely to Become Self-Sufficient**  
(GAO/HEHS-94-115, May 31, 1994)

Women who gave birth as teenagers make up nearly half of the AFDC caseload—a sizeable group. Women who had their first child when they were teenagers may have the most difficulty earning their way off welfare and becoming self-sufficient.

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**Integrating Human Services: Linking At-Risk Families With Services More Successful Than System Reform Efforts**  
(GAO/HRD-92-108, Sept. 24, 1992)

Broad-based and ambitious system-oriented efforts have faced many obstacles and met with limited success. For example, programs and initiatives we visited were unable to create new organizational structures or develop multiagency service plans and budgets. In contrast, service-oriented efforts were able to link at-risk families to human services and provide a combination of health and other supportive services.

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**ADMS Block Grant: Women's Set-Aside Does Not Assure Drug Treatment for Pregnant Women**  
(GAO/HRD-91-80, May 6, 1991)

The Alcohol, Drug Abuse, and Mental Health Services women's set-aside increased almost 500 percent between fiscal years 1988 and 1990. Despite that increase, the Congress lacked adequate information to determine whether the set-aside effectively reduced treatment barriers and addressed treatment needs since HHS did not clearly specify reporting requirements to states. The women's set-aside did not ensure that states provided appropriate treatment services to women since the set-aside encouraged, but did not require, states to fund specifically designed treatment.

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**Drug Abuse: The Crack Cocaine Epidemic—Health Consequences and Treatment**  
(GAO/HRD-91-55FS, Jan. 30, 1991)

Cocaine abusers had high rates of such mental disorders as depression, schizophrenia, and antisocial personality disorder. Health professionals associated crack use with the spread of acquired immunodeficiency syndrome and other sexually transmitted diseases. No state-of-the-art treatment method for crack abusers existed.

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**Drug-Exposed Infants: A Generation at Risk**  
(GAO/HRD-90-138, June 28, 1990)

Estimates of the number of infants exposed to cocaine annually ranged from 100,000 to 375,000. Drug-exposed infants were more likely than unexposed infants to suffer from medical problems and, in some cases, required costly medical care. Twelve hundred of the 4,000 drug-exposed infants at 10 hospitals were placed in foster care, and the cost of 1 year of foster care for those infants was about \$7.2 million.

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**Children's Issues: A Decade of GAO Reports and Recent Activities**  
(GAO/HRD-90-162, Sept. 21, 1990)

Pursuant to a congressional request, we provided an annotated bibliography of our studies on children's issues. We provided (1) an annotated bibliography of 58 reports and testimonies published between October 1988 and March 1990; (2) titles of reports issued between fiscal years 1980 and 1988; (3) information on current assignments relating to children and families, as of March 31, 1990; and (4) information on other publications by our staff on child-related issues.

# GAO Contacts and Staff Acknowledgments

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## Staff Acknowledgments

In addition to those named above, the following individuals made important contributions to this report. Inez Azcona, Kerry Dunn, Karen Lyons, and Elizabeth Olivarez provided information in their areas of expertise. Jon Silverman assisted in writing the report.

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